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RUEKJCS/JCS WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 JERUSALEM 001463

SENSITIVE  
SIPDIS

NEA/IPA FOR LENTZ/KINCANNON; NSC FOR SHAPIRO/KUMAR; DEPT  
PASS TO USAID FOR BORODIN, OPIC FOR DRUMHELLER/STRAUSS, TDA  
FOR KRESS/BARANEH

E.O. 12958: N/A

TAGS: [EINV](#) [EAID](#) [ECON](#) [KWBG](#) [KPAL](#) [IS](#)

SUBJECT: TRADE DEVELOPMENT AGENCY EXPLORES POTENTIAL FOR  
STUDIES ON INFRASTRUCTURE PROJECTS

REF: A. JERUSALEM 1282

[B.](#) 08 JERUSALEM 1832

[C.](#) 08 JERUSALEM 916

[¶1.](#) (SBU) Summary. Trade Development Agency (TDA) Regional Director Carl Kress visited the West Bank in August to follow-up on WiMax and Internet data center studies, and to discuss new projects that would promote economic development and generate U.S. exports. Private sector representatives and PA officials suggested projects related to geothermal energy, fuel storage, and infrastructure at Rawabi's affordable housing project. End Summary.

IT Sector Constrained by Spectrum Allocation, Equipment Procurement

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[¶2.](#) (SBU) CEO of BCI Communications Said Baransi said a new contractor is moving forward on the TDA-funded feasibility study (reftel C) for WiMax broadband wireless Internet access in 10 West Bank cities, although the project's success is still dependent on the GOI's release of frequencies in the 3.5 GHz range, as requested by the PA in May 2008 (reftel B). Baransi says that WiMax is on the agenda for the next GOI-PA Joint Technical Committee (JTC) meeting, now pending for over a year. Baransi added that he has been asked to brief the JTC on WiMax and its frequency needs. He noted that WiMax may be implemented in Israel by the end of 2009, which would remove the GOI's ostensible reason for blocking the project in the West Bank. Baransi commented that it is becoming increasingly difficult to obtain permits from the GOI to bring IT equipment (and imports in general) in to the West Bank.

Sustainable Energy and Fuel Storage

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[¶3.](#) (SBU) Amin Bashir, Director General of the General Petroleum Corporation (part of the Ministry of Finance), stressed that the PA urgently needed to upgrade and modernize its fuel storage capacity. He requested TDA assistance on a feasibility study to add fuel storage at the Tarqumiya and Tulkarem crossings and upgrade the existing Nihil facilities. The GOI reportedly intends for the Tulkarem crossing to replace Nihil, but Bashir stressed that he needed to maintain the much closer Nihil location to supply Ramallah. Paz, the Israeli company that is the sole distributor for the West Bank's fuel, has offered to supply the equipment at the Tarqumiya crossing, according to Bashir. A TDA contractor is assisting the GPC in developing a proposal and notes that USG

components of the project could include metering, monitoring, and pumping equipment. (Note: Bashir assumed his current duties last year, when Palestinian PM Fayyad brought him in to "clean-up" the GPC, he said.)

**¶4.** (U) MENA Geothermal, a privately-held company, requested TDA assistance with a feasibility study on a centralized geothermal plant in an affordable housing complex. The technology, which is currently in use on a smaller scale at an office building in Ramallah, saves 70% on energy costs and relies on U.S. equipment. MENA is also developing proposals for geothermal heating and cooling at the PA's new ministry complex, as well as the Rawabi and Al-Reehan affordable housing projects.

Rawabi Proposes Feasibility Study on  
Telecom Network, Wastewater Treatment

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**¶5.** (SBU) Amir Dajani from the Rawabi project proposed feasibility studies on design and operation of a telecom network infrastructure and a wastewater treatment facility. He expects that the telecom network would utilize equipment from Cisco, 3M, or Intel, and would include security systems, a fiber optic network, and broadband. However, he noted that the telecom network is one of the first infrastructure systems that Rawabi will install, so TDA's proposed timeline of a February-March feasibility study might come too late, assuming Rawabi begins construction this fall as scheduled (reftel A). On wastewater, Rawabi intends to install a tertiary treatment facility, adding to the system as demand

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grows, with the goal of re-using 80-90% of the wastewater. Because the project will be modular, implementation is more flexible and it might be a better fit for TDA.

Stone and Marble Industry Reps Seek Funding for Equipment

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**¶6.** (U) In a meeting with 15 representatives from the stone and marble industry, Chairman of the Union of Stone and Marble Industry Subhi Thawabteh stressed that the increased cost of shipping back-to-back through Tarqumiya and lack of access to Area C quarries remained the industry's most pressing concerns. Following up on the TDA-funded August 2008 marble and stone orientation visit to the United States, the businessmen noted that U.S. equipment was more expensive and less specialized than its Italian competition.

**¶7.** (U) TDA's Carl Kress cleared this message.  
WALLES